

HRM Practices: Effects of Recruiting and Selection, Training and Development on the Organizational Performance of Private Commercial Banks in Bangladesh

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ABSTRACT

This study examines the impact of Human Resource Management (HRM) practices as well as the factors that affect recruitment and selection as well as training and development on the organization performance of the private commercial banks in Bangladesh. To achieve the study objectives, the researcher developed a closed-ended questionnaire, which was administered in a survey. The sample comprises the staff of the 5 Banks and it has been selected through a convenient sampling procedure. The collected data were analyzed by using SPSS. The analysis of the descriptive statistics and correlations indicates that recruitment and selection as well as training and development significantly correlated with the organizational performance of private Commercial Banks and furthermore training and development is more effective for organizational performance compared to recruitment and selection. The study also recommends the steps to improve HRM practices in private commercial banks.

1. INTRODUCTION

Employee performance, attitudes, and behavior are shaped by policies and practices that are part of human resource management (HRM). The main purpose of this study is to cover a range of procedures such as recruiting and selection, training, and development on the organizational performance of the private commercial bank in Bangladesh. To meet the objectives, data from both primary and secondary sources have been generated. Organizations gain a competitive edge and improve performance through the effective implementation of HR strategies (akkas, 2012). In developing nations like Bangladesh, the study of contemporary management themes like hiring, choosing, and training is still in its infancy, thus it's critical to take local technological and economic aspects into account. The private commercial banks in Bangladesh use a multi-policy approach, which emphasizes the necessity of modifying hiring, screening, and training procedures to accommodate candidate viewpoints and stay up to date with alterations in the external environment.

2. LITERATURE REVIEW

The assessment of the literature on the impact of training and development procedures, recruitment and selection procedures, and organizational performance on private commercial banks in Bangladesh explores several aspects of human resource management (HRM) in this setting. Yadab et al. (2021) have emphasized the pivotal function fulfilled by efficient recruiting and selection procedures in guaranteeing the procurement of proficient and capable personnel who are congruent with the corporate objectives and ethos. It is critical to be able to draw in and choose people with the necessary abilities and qualities in the highly competitive private commercial banking sector of Bangladesh as well as highlight how important training and development programs are for improving worker competencies, job satisfaction, and eventually organizational performance. Especially in a quick.

Anthony Igwe et al. (2014) conducted a study that was Effective Human Resource Management as Tool for Organizational Success and along with infrastructure, knowledge, information, money, time, and resources, human resources are essential to production. For Leontief's model, which takes inputs, transformations, and outputs into account, it is necessary. Using both human and material resources, management creates an environment that allows individuals and organizations to achieve their goals. Employee welfare management, labor relations, and people are all included in human resource management, a crucial functional area. Recruitment, selection, induction, training, pay administration,

and incentive are all included in the modern definition of production management, which has its roots in the early concepts developed by pioneers like Rountria et al. (2016) It's now essential to the success of an organization in fulfilling stakeholder and regulatory demands, reaching goals, and exceeding breakeven.

Syed Iradat Abbas et al. (2021) conducted a study titled “Critical Review of Recruitment and Selection Methods: Understanding the Current Practices.” His team suggested that the literature on recruitment and selection strategies used in organizational staffing is critically examined. and highlight how important these strategies are for improving organizational effectiveness. After a thorough analysis, it is found that the most common ways to find applicants are through advertising, contracting companies, employee recommendations, labor unions, and online recruitment platforms. Common methods in the selection process include physical examinations, reference checks, supervisor approvals, online interview protocols, and interviews. In addition, a lot of companies of all sizes have been forced by the ongoing COVID-19 pandemic to use computerized platforms for hiring and choosing employees. Social media networks have become important resources for staffing initiatives, serving as a worldwide labor-sourcing solution for businesses.

Anju Khandelwal and Avanish Kumar (2019) conducted a study titled “A study on recruitment and selection process with reference to current scenario in organizations”. They suggested that the fast-paced business environment of today, an organization's capacity to be effective depends on the caliber and aptitude of its personnel. Hiring and choosing staff members in all industries—public and private—is a serious issue that needs to be addressed. Every firm wants to draw in top talent in order to fulfill its requirements and promote outstanding performance. There are many ways to find candidates, thus it's important to investigate how hiring and selection procedures relate to the expansion and effectiveness of a business. The purpose of this study is to examine how hiring procedures affect the process of choosing qualified applicants with the necessary abilities, knowledge, and skills, which in turn affects cost-effectiveness. The study will examine competency, the hiring process, and the organizational atmosphere in order to evaluate this relationship.

Thiruvankatraj T.R, et al (2018) conducted a study titled “A Study On Recruitment and Selection Process”. He and his team suggested that improving methods for hiring and choosing employees results in improved performance inside the company. Actively seeking for possible candidates and encouraging them to apply for jobs within the company is known as recruitment. On the other hand, selection comprises selecting the best applicants from the pool of

candidates in accordance with the job specifications and external circumstances. In today's highly competitive business environment, companies need to effectively handle their personnel needs. Organizations must have a well-structured recruitment policy in order to attain the best possible outcomes. With an emphasis on fully comprehending these procedures, this study seeks to identify areas for improvement in the recruiting and selection process and provide suggestions for change.

3. CONCEPTUAL FRAMEWORK

3.1 Organizational Performance

The degree to which an organization successfully and efficiently accomplishes its goals and objectives is referred to as organizational performance. It takes into account a number of factors, including non-financial measures like customer happiness, staff engagement, innovation, and social responsibility. K. M. (2014) measures how well the company has performed overall in achieving its goals, adjusting to changes in the environment, and maintaining its competitive edge over time.

This research uses a range of academic viewpoints to investigate the factors that influence organizational effectiveness. Academics that have studied this topic, such as McGahan and Porter (1997), have emphasized the elements that lead to differences in interorganizational performance. Comparing expected and actual outputs is a common method of evaluating an organization's success. Financial measures such as profits and return on assets, product market performance like sales and market share, and shareholder returns are all included in this process. Non-financial factors including management and workforce quality, long-term orientation, continuous improvement, and action orientation are also important, even though financial indicators are frequently linked to organizational performance (Henderson, 2019-20). The evaluation of organizational performance via the prisms of worker attributes and management is the specific emphasis of this study.

3.2 Role of Human Resource Department

An organization's human resources (HR) department plays a crucial role in overseeing a variety of employee-related tasks. Recruitment, training, performance management, employee relations, pay and benefits, and making sure labor laws are followed are some of these activities. Through efficient

personnel management, the HR division is essential to creating a positive work environment and advancing the strategic objectives of the company.

The main responsibility of the human resources department is to make sure that the organization's human resources are used and managed as efficiently as possible in order to attract and retain talent. Personnel administrators carry out four crucial tasks: they develop and implement policies, give counsel, offer services, and oversee personnel programs and procedures.

- **Formulates and Executes Policy:** Policies serve as a roadmap for management philosophy and assist in the accomplishment of organizational goals. Generally speaking, policy is made by the highest ranking personnel officers. It is not enough to just create the policy; the organization needs to put it into practice, and the personnel department does this as well.
- **Advice:** The field of management has grown more sophisticated over the last few decades. Among the constraints faced by managers are a tight regulatory environment, advanced technologies, a knowledgeable workforce, and demands from social and labor groups for more "socially responsible activities." Managers frequently seek guidance and counseling from specialists to deal with complex situations. It is the responsibility of every employee to make sure that the advice they provide advances the objectives of the company and is reasonable, impartial, and sound.
- **Services:** The personnel department, sometimes referred to as the Human Resource (HR) Department, offers a number of crucial services intended to help administrators and line managers successfully carry out their jobs. These services cover a range of ongoing HR initiatives and operations that are essential to the organization's efficient operation. Recruitment, selection, and placement are important services where the HR staff finds, draws in, and employs qualified applicants for different roles. Services for training and development make sure that workers are always advancing their knowledge and abilities in line with the demands of the company and their own professional development. In order to inform strategic decisions, personnel research entails gathering and evaluating data on employee satisfaction, labor trends, and other pertinent variables. Additionally, by encouraging employee involvement and well-being through social and recreational activities, company

recreation programs help to create a healthy work environment. Even though all of these tasks fall under the general category of services, they are essential to the operation of other organizational units, emphasizing the HR department's contribution to increasing the effectiveness and efficiency of the entire company.

- **Control:** Comparable to a banking sector's quality control department, the personnel department carries out essential control tasks to efficiently manage human resources. This entails making certain that rules, such as those pertaining to equal employment opportunity, are not only created but also actively promoted and followed by managers and staff. Monitoring the application of these regulations and the accomplishment of personnel objectives falls within the purview of personnel administrators. In order to maintain standards and further corporate goals, they constantly assess performance and processes to make sure they are in accordance with established criteria.

3.3 Recruitment and Selection

The practice of aggressively seeking out, drawing in, and identifying possible applicants for open positions inside a company is known as recruitment. It entails tactics and methods designed to generate a pool of eligible candidates with the abilities, credentials, and qualities needed for particular positions. Advertising job opportunities, networking, using recruitment agencies, and employing online channels to reach potential candidates are some examples of recruitment practices.

On the other hand, selection is the process of identifying the best people to fill the open positions by assessing candidates from the recruitment pool. It entails using a variety of techniques, including tests, background checks, reference checks, and interviews, to evaluate candidates' credentials, abilities, experience, and cultural fit. Making decisions that are in line with the organization's objectives is the ultimate purpose of selection.

In order to fill open jobs within a business, recruitment entails attracting eligible candidates and determining whether or not they are suitable for the post (Mathis, 2004). Conversely, selection is picking the best applicants who fit the job specifications. In essence, selection is a process of decision-making or a psychological evaluation of suitability. Effective hiring practices increase the likelihood that companies will select candidates who possess the abilities and self-assurance needed for particular positions (Huselid, 1997). Effective hiring

and selection procedures may improve an organization's performance, according to research. Effective recruiting and selection procedures, for example, have been shown to improve organizational performance (DELANEY, 1996).

3.4 Training and Development

The workforce has seen a significant transformation in the last 10 years as a result of increased competitiveness and the digital revolution in the workplace. The need for reskilling and upskilling is expanding due to the workforce's diversity, which spans many generations, and the swift changes in skill requirements. The increasing use of digital tools emphasizes how important having a well-qualified staff is. Organizations are being compelled by these changing dynamics to give staff training and development programs top priority (Noe, *Employee Training and Development*, 2017-2018).

In human resource management, training and development are essential because they improve organizational performance in a variety of ways. Training comprises planned exercises meant to improve a learner's performance, comprehension, or abilities, whilst development concentrates on cultivating fresh proficiencies for individual advancement. Participants in comprehensive training programs can refine the information, skills, and attitudes required to meet business objectives and obtain a competitive edge. Research by Apospori, Nikandrou, Brewster, and Papalexandris has shown how training improves organizational effectiveness. According to Subramaniam et al., training and development programs that continuously enhance employees' skills, knowledge, and capacities have a favorable impact on organizational performance.

There is a notable correlation between organizational performance and training and development. Blair's research suggests that investing in training and development can yield substantial benefits for an organization. Numerous studies have indicated a positive impact of training on productivity, resulting in mutual benefits for both employees and employers (AL-Qudah, 2014).

3.5 Impact of Training and Development, as well as Recruiting and Selection

Recruitment, selection, training, and development all have a substantial and varied impact on the effectiveness of a business. The methods of recruitment and selection play a crucial role in evaluating the caliber and fit of an organization's staff. Efficient recruitment tactics guarantee that the company draws applicants possessing the requisite competencies to meet job specifications and advance organizational objectives. A fit between the

candidate and the corporate culture is further ensured by carefully choosing them, which promotes engagement and productivity. Additionally, a well-organized hiring and selection procedure lowers turnover rates since it increases stability and continuity by increasing the likelihood that workers who are a good fit for their positions will stay with the company. A skilled and motivated workforce attained through efficient hiring and selection procedures enhances organizational performance by spurring creativity, output, and general efficacy (Noe, Employee Training and Development, 2017-18).

Initiatives in training and development are equally important for improving the performance of a business. Organizations can adjust to shifting market conditions, technology breakthroughs, and changing client demands by making investments in the ongoing training and development of their workforce. Training programs give staff members the skills and information they need to succeed in their positions, which boosts output, customer happiness, and efficiency. Furthermore, development opportunities foster career growth, employee retention, and engagement—all of which support a motivated staff and a strong company culture. Furthermore, a trained and empowered workforce is more capable of driving organizational growth and competitiveness, as well as innovation and problem-solving (Dessler, Human Resource Management, 2014-15).

While training and development programs advance the knowledge and abilities of newly hired staff, recruitment and selection procedures guarantee the acquisition of competent and driven individuals. Together, these components support worker productivity, creativity, engagement, and change adaptation, all of which lead to enhanced organizational performance.

4. HYPOTHESIS

H1: In Bangladesh's banking industry, there exists a positive correlation between organizational success and recruitment and selection practices.

H2: In Bangladesh's banking industry, there exists a positive correlation between organizational success and training and development.

5. METHODOLOGY

For the purpose of this study, the questionnaire's items were answered on a five-point Likert scale, where 5 represents "strongly agree" and 1 represents "strongly disagree." A sample of 100 is drawn from the population of private bank employees. A mean score of less than two to three is regarded as poor, a

mean score of three to four as moderate, and a mean score of more than four as high. The sampling is likely to be snowball sampling. From the scales of the variables, three main variables are computed for further analysis. A correlation analysis was conducted to see the relationship among the variables and after that a multiple linear regression analysis has been performed to assess the significance and the degree of relationships among the variables. The regression equation for the analysis is,

$$\text{Organizational Performance} = \alpha + \beta_1 * \text{Training and Development} + \beta_2 * \text{Recruitment and Selection}$$

6. ANALYSIS AND FINDINGS OF THE STUDY

Awareness the effect of HRM practices on the organizational performance of Bangladesh's private commercial banks requires an awareness of demographic data. To optimize performance, Bangladesh's youthful labor force with a range of educational backgrounds and experience levels requires customized HRM approaches. Good hiring and selection procedures guarantee that the best candidates are brought on board, and ongoing training and development initiatives improve workers' competencies and flexibility. As a result, the competitiveness and general performance of Bangladesh's private commercial banks are greatly enhanced by these HRM practices.

| <i>Table 1: mean and standard deviations for the scales of the variables</i> | | |
|---|--------|----------------|
| <i>Recruitment and Selection</i> | Mean | Std. Deviation |
| 1.The company uses collaborating (multiple approach) terms and conditions for the hiring and selection process. | 3.8182 | 0.98165 |
| 2.Fair treatment of all employees during the promotion process is evidently practiced by the organization. | 3.0909 | 0.94388 |
| 3.As a rule, the organization promotes people from within to fill open positions. | 2.6364 | 1.02691 |
| 4.The company selects the best candidates for employment using a variety of assessment criteria. | 4.1818 | 0.75076 |
| 5.Based on the candidates' experience and variety of skills, the company chooses its ideal workers. | 3.8182 | 0.98165 |

| <i>Training and Development</i> | | |
|--|--------|---------|
| 1.The company arranges rich employee training sessions covering all facets of excellence | 3.9091 | 0.70065 |
| 2.Through a system of performance reviews, the company determines what training is needed. | 3.3636 | 1.12006 |
| 3.Periodically, the firm provides staff with new knowledge and abilities to enhance their performance. | 3.8182 | 0.60302 |
| 4.The company provides us with training opportunities so I can use my variety of skills, knowledge, and abilities. | 3.8182 | 1.07872 |
| 5.The company gives staff members the chance to talk about their needs for training and development. | 4.000 | 0.7746 |

Item 4 received the highest mean score (4.18) for the first variable, recruitment and selection (see Table 1). This result suggested that hiring and selection practices are well-established in Bangladesh's commercial banking industry. Employees are knowledgeable about the policies and processes and possess the necessary skills and experience in the hiring and selecting process. The item with the highest mean score (4.0) for the second variable, training and development, was item 5. This result indicated that the organization should provide staff members with the chance to talk about their training and development requirements.

| <i>Table 2: Mean and standard deviations for the variables Statistics</i> | | | | |
|---|-------|---------------------------|--------------------------|----------------------------|
| | | Recruitment and Selection | Training and Development | Organizational performance |
| N | Valid | 100 | 100 | 100 |
| Mean | | 3.5091 | 3.7818 | 3.9091 |
| Std. Deviation | | .59574 | .62260 | .83121 |

The descriptive statistics for the three primary variables are displayed in Table 02 above. The organizational performance score of 3.7 likewise indicates a moderate influence, albeit a larger one than the recruitment and selection score

of 3.5, which implies a moderate effect on recruitment and selection. Lastly, the mean of 3.9 for the organizational performance variable also suggests that the organization's performance is moderate.

6.1 Correlation Analysis of the Three Main Variables

Table 3: Correlation matrix of the variables

| Variables | Recruitment and Selection | Training and Development | Organizational performance |
|----------------------------|---------------------------|--------------------------|----------------------------|
| Recruitment and Selection | 1 | .810** | .724* |
| Training and Development | .810** | 1 | .849** |
| Organizational performance | .724* | .849** | 1 |

Recruitment and Selection had the lowest correlation value ($r = .724$; $p < .05$), while Training and Development had the highest connection value ($r = .849$; $p < .05$) with Organizational performance, according to Table 3. The findings are justified by a statistically significant ($p < .05$) positive association between all the variables.

6.2 Regression Analysis of the Three Main Variables

For the OLS regression, the estimated model is

Table 4: Regression output of the variables

| Variables | Beta | Sig. |
|--|--------|-------|
| Training and Development | .550 | 0.000 |
| Recruitment and Selection | .412 | 0.001 |
| Constant | -2.085 | 0.000 |
| R Square=.801 Sig. F= 0.000 Dependent variable: Organizational performance | | |

So, the estimated model can be written as,

$$\text{Organizational performance} = -2.085 + 0.510 * \text{Training and Development} + 0.412 * \text{Recruitment and Selection}$$

The dependent variable, organizational performance, is shown in Table 4 together with the multiple regression coefficients (β) of the two independent variables. At $p < .05$., every variable pertaining to HRM practices is significant. Training and development exhibited the greatest beta coefficient (Beta = 0.510) among all domains. The training and development variable, or a one-unit increase in the training and development score values, showed the largest contribution to explain the dependent variable (organizational performance), according to this study. An improvement in organizational performance of 510 units. The recruitment and selection category had the lowest beta value (Beta = 0.412), indicating that a one-unit increase in the recruitment and selection score leads to an improvement of 412 units in organizational performance. The prediction power of the regression is fairly good, as shown by the R-square value of .801.

The hypothesis testing results showed a substantial positive correlation between the independent and dependent variables as the null hypothesis are rejected in both cases. Furthermore, because of its strong correlation and regression coefficients, training and development are more beneficial to organizational performance than recruiting and selection.

7. CONCLUSION AND RECOMMENDATIONS

Strong HRM practices, particularly in the areas of recruitment and selection, training and development have a profoundly favorable effect on the organizational performance of private commercial banks in Bangladesh. These banks attract and retain top personnel through efficient recruiting and selection procedures, which results in a workforce that is more skilled and driven. The deliberate matching of organizational requirements with human resource demands promotes increased output, improved customer satisfaction, and creative problem-solving skills.

Moreover, continuous training and development initiatives give staff members access to the newest information and abilities, which improves their performance and flexibility in the quickly changing banking industry. In addition to increasing employee retention and satisfaction, this ongoing investment in human capital promotes organizational growth and competitiveness. Bangladesh's private commercial banks benefit from increased operational effectiveness, increased profitability, and enhanced market position as a result, highlighting the crucial role that cutting-edge HRM practices play in attaining long-term organizational success.

Human resources are people whose knowledge, skills, and abilities are used to provide efficient services. They are frequently considered an

organization's most valuable asset. Efficient hiring and selection procedures draw in the proper kind and amount of talent, develop workers' expertise, knowledge, and skills, and guarantee their continued employment with the company. Strategic planning and HR development should make use of contemporary technology in order to further expand the private commercial banking system. Employee capacities will also be improved by putting in place extensive training and management development programs. The banking industry will be able to develop a more effective and productive staff by making investments in the ongoing development and training of its employees. And finally, the sector should give a little bit higher priority to training and development than recruitment and selection.

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